



**AGENDA**  
Meeting of the  
**BOARD OF DIRECTORS**  
of the  
**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
A Public Agency

**Tuesday, December 7, 2004**

**8:30 AM**

**Santa Barbara MTD Auditorium**  
550 Olive Street, Santa Barbara, CA 93101

- 1. Call to Order**
- 2. Roll Call of the Board of Directors**  
Chair John Britton; Vice Chair Olivia Rodriguez; Secretary Brian Fahnestock; and Directors: David Davis and Lee Moldaver
- 3. Report Regarding Posting of Agenda**
- 4. Officer Enrique Alvarado, PAL (Police Assistance League) toy drive update**
- 5. Recess to Closed Session- Workers' Compensation Claims**  
**(8:45 AM Time certain, action may be taken)**  
The Board will meet in closed session pursuant to government Code §54956.95(b) to consider settlement of Workers' Compensation claims by:  
(a) Regina Kelly  
(b) Carolina Quintero  
(c) Mary Dominguez

**9:15 AM Board will return from Closed Session**

**Consent Calendar**

- 6. Approval of Prior Minutes (action may be taken)**  
The Board will be asked to waive the reading of and approve the minutes for the meeting of November 23, 2004.
- 7. Cash Report (action may be taken-attachment)**  
The Board will be asked to approve the cash report from November 16, 2004, through November 29, 2004.

**This concludes the consent calendar**

- 8. Public Comment**

Members of the public may address the Board on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk **before the meeting is convened**, a "Request to Speak" form including a description of the subject you wish to address.

9. **UCSB Staff and Faculty Pass (no action will be taken)**  
UCSB Director of Transportation and Parking Services, Tom Roberts will present a proposal for a UCSB Staff and Faculty bus pass program.
10. **Calle Real Property Counsel**  
Request for waiver of conflict of interest by prior MTD counsel related to Calle Real property.
11. **Disposition of 5353 Overpass Road (action may be taken)**  
Board will be asked to authorize staff to investigate disposition of 5353 Overpass Road property.
12. **Workers' Compensation Insurance**  
The Board will be asked to authorize the renewal of Workers' Compensation self-insured insurance program.
13. **Board Directors' and Officers' Insurance**  
The Board will be asked to authorize the renewal of Directors' and Officers' Insurance.
14. **General Manager Report**
  - a) Trapeze software training
  - b) Clean Air Express Federal regulations
  - c) Marketing Department update
  - d) Transit Village update
  - e) Calle Real Property
15. **Other Business and Committee Reports**  
The Board will report on related public transit issues and committee meetings.
16. **Recess to Closed Session-Calle Real**  
The Board will meet in closed session pursuant to Government Code §54956.8, conference with real property negotiators regarding the MTD Calle Real Property, APN's Book 59, Page 14, Parcels 4, 5 & 6, and Book 67, Page 23, Parcel 6, concerning price and terms of payment; agency negotiators Doug Large and Bob Andrews; other negotiation parties: Housing Authority of County of Santa Barbara, Martin Farrell Homes, and Investec Capital, Inc.
17. **Adjournment**

**AMERICANS WITH DISABILITIES ACT:** If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.

**Santa Barbara Metropolitan Transit District**  
**Cash Report**  
**Board Meeting of December 7, 2004**  
**For the Period November 16, 2004 through November 29, 2004**

**MONEY MARKET**

**Beginning Balance November 16, 2004** **\$3,731,211.80**

SB-325 (LTF)	579,823.24	
Passenger Fares	139,970.08	
Property Tax Revenue	123,958.64	
Accounts Receivable	87,952.01	
Miscellaneous	733.97	
Advertising & Prepaid	314.70	
<b>Total Deposits</b>		<b>932,752.64</b>

Bank Fee - November 04	(4,709.16)	
ACH Pensions Transfer	(23,295.01)	
ACH Tax Deposit	(81,201.08)	
Payroll Transfer	(197,504.29)	
Operations Transfer	(427,436.32)	
<b>Total Disbursements</b>		<b>(734,145.86)</b>

**Ending Balance** **\$3,929,818.58**

**Total Cash and Investments as of November 29, 2004:** **\$3,929,818.58**

**COMPOSITION OF CASH BALANCE**

Working Capital	2,724,144.47	
WC / Liability Reserves	1,205,674.11	
<b>Total Cash Balance</b>		<b>\$3,929,818.58</b>

## Santa Barbara Metropolitan Transit District Accounts Payable

Check	Date	Company	Description	Amount	Voids
79635	11/17/2004	A TRIBUTE TO SUPERVISOR	NAOMI SCHWARTZ EVENT	125.00	
79636	11/17/2004	AT&T WIRELESS	TELEPHONES	222.11	
79637	11/17/2004	AT&T	TELEPHONES	1,663.36	
79638	11/17/2004	AQUA-FLO	B&G REPAIRS & SUPPLIES	234.12	
79639	11/17/2004	ARCHBALD & SPRAY	LEGAL COUNSEL	6,215.02	
79640	11/17/2004	BARCODESOURCE INC.	SHOP SUPPLIES	102.30	
79641	11/17/2004	BLACK GOLD INDUSTRIES	OIL/ATF RECYCLING	171.50	
79642	11/17/2004	BOWMAN DISTRIBUTION	SHOP SUPPLIES	116.69	
79643	11/17/2004	BREWER, WILLIAM	TOOL ALLOWANCE	800.00	
79644	11/17/2004	BFI (BROWNING-FERRIS IND)	WASTE DISPOSAL	34.00	
79645	11/17/2004	CALIFORNIA ELECTRIC SUPPLY,	BUS PARTS/SHOP/B&G SUPPLIES	722.95	
79646	11/17/2004	CAR PARTS OF SANTA BARBARA	SHOP SUPPLIES	15.16	
79647	11/17/2004	C & H DISTRIBUTORS, INC.	OFFICE SUPPLIES	112.40	
79648	11/17/2004	CENTRAL COAST CIRCULATION	BUS BOOK DISTRIBUTION	383.25	
79649	11/17/2004	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	190.46	
79650	11/17/2004	COAST TRUCK PARTS, INC.	BUS PARTS	1,558.33	
79651	11/17/2004	COX COMMUNICATIONS	INTERNET & CABLE TV	274.70	
79652	11/17/2004	COVERALL OF MID-STATE CALIF.	JANITORIAL SUPPLIES/SERVICE	2,497.30	
79653	11/17/2004	DAL POZZO TIRE CORP.	SV REPAIR	15.00	
79654	11/17/2004	DEPARTMENT OF CHILD SUPPORT	PR RELATED	599.54	
79655	11/17/2004	BP DAVIS MANAGEMENT	CONTRACT LABOR	4,500.00	
79656	11/17/2004	DAVE BANG ASSOCIATES, INC.	BUS BENCHES, TRASH RECEPTACLES	11,403.91	
79657	11/17/2004	DEAILE, MARY	PR RELATED	106.15	
79658	11/17/2004	DISTRICT ATTORNEY-S.B.	PR RELATED	1,038.78	
79659	11/17/2004	DOCUPRODUCTS CORPORATION	COPIES/SUPPLIES	621.01	
79660	11/17/2004	DONS INDUSTRIAL	BUS PARTS	71.96	
79661	11/17/2004	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE	350.00	
79662	11/17/2004	DHL EXPRESS (USA) INC.	FREIGHT CHARGES	230.00	
79663	11/17/2004	EASY LIFT TRANSPORTATION, INC.	ADA SUBSIDY	28,972.42	
79664	11/17/2004	EBUS, INC.	BUS PART	2.00	
79665	11/17/2004	EMPLOYMENT DEVELOPMENT	PR RELATED	100.00	
79666	11/17/2004	ERGOMETRICS	DRIVER TEST SCORING	25.00	
79667	11/17/2004	FLEET CAPITAL LEASING-GVF	COPIER LEASE	377.13	
79668	11/17/2004	GFI GENFARE, INC.	FAREBOX REPAIRS & PARTS	6,306.73	
79669	11/17/2004	GIBBS INTERNATIONAL TRUCKS	BUS PARTS	3,019.64	
79670	11/17/2004	GILLIG CORPORATION	BUS PARTS	1,759.30	
79671	11/17/2004	GOLETA WATER DISTRICT	UTILITIES	38.90	

Check	Date	Company	Description	Amount	Voids
79672	11/17/2004	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	6,122.92	
79673	11/17/2004	HOLLEY ENTERPRISES	BUS PARTS	11,664.00	
79674	11/17/2004	HOME IMPROVEMENT CTR.	SHOP SUPPLIES	81.13	
79675	11/17/2004	INTERLAND, INC.	WEBSITE HOST	50.00	
79676	11/17/2004	UNITED STATES TREASURY	PR RELATED	225.00	
79677	11/17/2004	JERRY THE PLUMBER	PLUMBING	106.00	
79678	11/17/2004	J n L GLASS INC.	REPLACE BUS WINDOWS	165.00	
79679	11/17/2004	JRN BENEFITS	PENSION ADMINISTRATION	285.00	
79680	11/17/2004	LOVES TOWING SERVICES	RELOCATE BUS BENCHES	100.00	
79681	11/17/2004	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,015.33	
79682	11/17/2004	MIKE CUEVAS GARDENING	LANDSCAPE MAINTENANCE SERVICE	350.00	
79683	11/17/2004	MGB INDUSTRIAL SUPPLY	SHOP SUPPLIES	477.33	
79684	11/17/2004	MISSION LINEN SUPPLY	UNIFORM & LINEN SERVICE	2,451.64	
79685	11/17/2004	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	997.11	
79686	11/17/2004	MULLEN & HENZELL	LEGAL FEES ON CALLE REAL	3,510.00	
79687	11/17/2004	MUZICRAFT	TC CONTRACT MAINTENANCE	35.00	
79688	11/17/2004	NATIONAL INTERSTATE INS. CO.	LIABILITY INSURANCE	153.82	
79689	11/17/2004	NEWARK ELECTRONICS	BUS PARTS	378.06	
79690	11/17/2004	NEXTEL COMMUNICATIONS	CELL PHONES	99.96	
79691	11/17/2004	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	315.60	
79692	11/17/2004	OHIO CHILD SUPPORT PAYMENT	PR RELATED	126.85	
79693	11/17/2004	OTTIERI, ANN BRADY	PR RELATED	576.92	
79694	11/17/2004	PASO ROBLES TRUCK CENTER	BUS PARTS	111.39	
79695	11/17/2004	BENITO PEREZ	SHOP SERVICES	60.00	
79696	11/17/2004	PETRO-DIAMOND INC.	DIESEL FUEL	14,237.60	
79697	11/17/2004	PETTY CASH- HAHN, STEVE	MISC SHOP NEEDS	53.27	
79698	11/17/2004	PACIFIC SYSTEMS ELECTRIC	FUEL SYSTEM MAINTENANCE	700.00	
79699	11/17/2004	POINDEXTER, CAREY	REFUND - HEALTH INSURANCE	270.00	
79700	11/17/2004	PANASONIC DIGITAL INC.	COPIER LEASE & REPAIRS	246.76	
79701	11/17/2004	POWER MACHINERY CENTER	BUS PARTS	52.18	
79702	11/17/2004	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	21.12	
79703	11/17/2004	PRE-EMPLOYMENT BACKGROUND	PRE-EMPLOYMENT CHECK	160.00	
79704	11/17/2004	QUEST DIAGNOSTICS	MEDICAL EXAMS	138.20	
79705	11/17/2004	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	99.23	
79706	11/17/2004	ROGERS & SHEFFIELD ATTORNEYS	LEGAL COUNSEL	1,286.90	
79707	11/17/2004	ROCHA, SUZANNE	PR RELATED	406.08	
79708	11/17/2004	SAN BERNARDINO COUNTY	PR RELATED	395.54	
79709	11/17/2004	SANTA BARBARA BANK & TRUST	PR DEDUCTION	130.50	
79710	11/17/2004	SANTA BARBARA BANK & TRUST-	DIESEL BUS LEASE	142,958.00	
79711	11/17/2004	SB COUNTY FEDERAL CREDIT	PR DEDUCTION	1,898.00	

Check	Date	Company	Description	Amount	Voids
79712	11/17/2004	SB HUMAN RESOURCES	MEMBERSHIP RENEWAL	125.00	
79713	11/17/2004	SB LOCKSMITHS, INC.	LOCK SERVICE	65.00	
79714	11/17/2004	SANTA BARBARA NEWS-PRESS	PUBLIC NOTICE AD	39.10	
79715	11/17/2004	SMITTY'S TOWING SERVICE	TOWING SERVICES	187.50	
79716	11/17/2004	SANTA BARBARA CITY COLLEGE	REIMBURSED OVERPMT.	560.00	
79717	11/17/2004	SERVICE MASTER OF SANTA	TC JANITORIAL SERV./SUPPLIES	4,539.22	
79718	11/17/2004	SM TIRE, CORP.	BUS/SV TIRE MOUNTING	502.01	
79719	11/17/2004	SMARDAN-HATCHER CO.	B&G REPAIRS & SUPPLIES	390.94	
79720	11/17/2004	SMART & FINAL	OFFICE SUPPLIES	24.61	
79721	11/17/2004	SO. CAL. EDISON CO.	UTILITIES	8,840.65	
79722	11/17/2004	SOFTCHOICE CORP, INC.	COMPUTER SOFTWARE	3,330.95	
79723	11/17/2004	SOUTHERN CALIFORNIA GAS	UTILITIES	40.43	
79724	11/17/2004	SB CITY OF-REFUSE/WATER	UTILITIES	1,440.92	
79725	11/17/2004	TEAMSTERS MISC. SECURITY	UNION MEDICAL/DENTAL	73,489.72	
79726	11/17/2004	TEAMSTERS PENSION TRUST	UNION PENSION	55,916.37	
79727	11/17/2004	TREASURER-TAX COLLECTOR,	PROPERTY TAXES - FIXED CHARGES	912.02	
79728	11/17/2004	UNIVISION / KPMR-TV 38	MEDIA AD	500.00	
79729	11/17/2004	VALLEY POWER SYSTEMS, INC.	BUS PARTS	293.00	
79730	11/17/2004	VALLEY POWER SYSTEMS, INC.	BUS PARTS	1,015.31	
79731	11/17/2004	TEAMSTERS UNION LOCAL NO. 186	UNION DUES	7,027.47	
79732	11/17/2004	WHITEHOUSE FLORISTS	EMPLOYEE RELATIONS	88.81	
79733	11/17/2004	WURTH USA WEST INC.	SHOP SUPPLIES	619.73	
				<b>427,436.32</b>	
				<b>Current Cash Report Voided Checks:</b>	0.00
				<b>Prior Cash Report Voided Checks:</b>	0.00
				<b>Grand Total:</b>	<b>\$427,436.32</b>

**Santa Barbara Metropolitan Transit District  
Cash Receipts of Accounts**

<b>Date</b>	<b>Company</b>	<b>Description</b>	<b>Amount</b>
11/17/2004	Eleanore Zeluck	Health Insurance - Cobra	229.35
11/17/2004	Fountain, Melvin and Elizabeth	Health Insurance - Retiree	314.70
11/17/2004	UCSB - Parking Services	Passes/Token Sales	1,715.00
11/19/2004	City of SB - Passes/Tokens	Passes/Token Sales	675.00
11/19/2004	City of SB - Passes/Tokens	Passes/Token Sales	4,000.00
11/22/2004	City of SB - Downtown WF/Wharf	Dwntwn. Wtrfrnt. Shuttle - Nov '04	77,453.26
11/22/2004	SB County Public Health	Passes/Token Sales	2,250.00
11/23/2004	Helm, Warren	Health Insurance - Retiree	314.70
11/24/2004	Presto Pasta	Advertising on Buses	1,000.00
<b>Total Accounts Receivable Paid During Period</b>			<b>\$87,952.01</b>

## BOARD OF DIRECTORS REPORT

**AGENDA DATE:** Dec. 7, 2004

**AGENDA ITEM #:** 12

**DEPARTMENT:** Risk

**TYPE:** ACTION

**PREPARED BY:** Sherrie Fisher  
Gary Johns

**SUBJECT:** Workers Compensation Excess Insurance renewal

### **RECOMMENDATION:**

1. **Continue a self-insurance program for Workers' Compensation claims**
2. ***Purchase excess coverage through Driver Alliant Insurance Services with a self-insured retention of \$500,000***
3. **Execute participation in a Joint Powers Agreement through California Public Entities Insurance Authority.**
4. **Continue working with Fleming and Associates as a Third Party Administrator**
5. **Continue working with John Lamoutte of Tobin-Lucks as defense attorney.**
6. **Continue working with Santa Barbara Medical Industrial Group (and local emergency rooms if applicable) for medical care upon injury.**

**BACKGROUND:** MTD places a heavy emphasis on vehicular and personal safety. Employees are trained in group sessions as well as individually throughout the year. Supervisors and management are educated in the handling and investigation of personal injury claims. In addition, we work with outside assistance as noted in the numbered information above.

Beginning in January 1987, MTD chose to enter a self-insurance program related to Workers' Compensation claims. The external components of this currently include excess insurance coverage, immediate medical evaluation and care, 3<sup>rd</sup> Party Administration (TPA), legal defense and investigation regarding causation and/or activities.

The obvious risk to a self-insured retention is that any one claim would exceed the Self-insured retention level. To date, a total of 6 claims (all of which occurred prior to 1998) have been in the range of \$200,000- \$380,000.

The California Workers' Compensation legal system changed this year in the following significant ways:

- WC Appeals Board judges are now directed to focus on equaling, balancing, and weighing the evidence versus simple liberal interpretation on behalf of the injured worker.



- A cap was placed on temporary disability to 104 weeks for injuries occurring after April 19, 2004
- Doctors make apportionment decisions by determining the percentage of permanent disability caused by the direct result of injury versus the percentage of permanent disability caused by other factors before and subsequent to the industrial injury, including prior industrial injuries.
- Increase in temporary disability weekly payments to maximum \$728 from \$602 last year.

## **BUDGET/FINANCIAL INFORMATION:**

### **Workers' Compensation Cost Comparison**

The following chart shows a snapshot of the cost of self-insurance since 2000-01.

Year	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY04-05 thru Sept 04
Total cost <sup>1</sup>	\$693,756	\$1,012,879	\$1,045,493	\$1,137,417	\$176,146

<sup>1</sup>Claims paid for current and past year plus reserves. (Average cost the last four years \$956,633)

### **Insurance FY04-05**

Year	FY02-03 Self insured retention	FY03-04 Self Insured retention	Recommend: FY04-05 Self Insured retention	Full Coverage: State Compensation Insurance Fund
Premium <sup>2</sup>	\$56,671	\$102,119	\$42,433 <sup>4</sup>	\$2.2 million plus <sup>1</sup>
Self Insured Retention SIR	\$500,000	\$1.5 million	\$500,000 <sup>2</sup>	na
Tails of PY claims <sup>3</sup>	Continues	Continues	Continues	Continues
3 <sup>rd</sup> Party Administrator	\$30,000	\$30,000	\$30,000	\$30,000

<sup>1</sup>State Comp is approximately.

<sup>2</sup>Self Insured Retention is reduced to 02-03 levels. SIR is offered on a per-claim basis, not as an aggregate.

<sup>3</sup>Discussion of reserves during the Board meeting.

<sup>4</sup>Annualized premium; rate valid through June 30, 2005

The financial impact of work comp claims on MTD has been increasing by extraordinary amounts every year. The fiscal year costs exceed \$1 million in FY01-02, FY02-03, and FY03-04.

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www.sbmtd.gov

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The current reserves for claims from all past years combined equals \$1,255,552.

For the current fiscal year, MTD budgeted \$107,494 for excess insurance. This will be reduced with the proposed excess insurance coverage with Driver Alliant (to \$71,277 based on the first half of the fiscal year covered at the higher/current premium.)

## BOARD OF DIRECTORS REPORT

**AGENDA DATE:** DECEMBER 7, 2004      **AGENDA ITEM #:** 12

**DEPARTMENT:** RISK      **TYPE:** Action

**PREPARED BY:** GARY JOHNS

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Signature

**REVIEWED BY:** GENERAL MANAGER

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GM Signature

**SUBJECT:**      **Directors' and Officers' Liability Insurance renewal**

**RECOMENDATION:** Staff recommends the renewal of the Directors' and Officers' insurance through RSUI Indemnity Company effective 1-1-05.

*Our insurance broker is still waiting for a quote from Landmark American Insurance Company.*

*Due to this incomplete information, the Board may want to chose to give staff authority to renew as noted below with the caveat that if another quote comes in at a lower rate staff should return to the board meeting of December 21, 2004. .*

**DISCUSSION:**

The coverage remains at a \$3,000,000 limit, the same as this past calendar year.

**BUDGET/FINANCIAL INFORMATION:** The new rate is \$30,950, which is a 10.5 percent increase over calendar year 2004 pricing. The budget was set at \$30,341 for the fiscal year 04-05. (Based on this renewal quote, the fiscal year cost will be \$29,450)

**ATTACHMENT:**

Quote and letter from Bob Fatch of Brown and Brown Insurance Services.

To: Chair Britton  
Members of the Board of Directors  
From: Sherrie Fisher, General Manager  
Date: 12/03/04  
Subject: General Manager Administrative Update

The meeting between MTD Board of Directors and the City Council is scheduled for Wednesday, December 8, 2004 to discuss the possibility of a **Transit Village**. A joint staff report and an agenda will be mailed separately. Staff members from both agencies are fully engaged in this project and will be recommending a study funded jointly.

The **Underground Fuel Tank** at this terminal underwent the mandated annual alarm and sensor test this week and passed with no problems.

Tom Roberts, Director of Transportation and Parking Services at **UCSB** will present information at the board meeting regarding parking options on campus. A proposal for a **staff and faculty pass program** with MTD is an important component of the project.

**Directors' and Officers' insurance** renews 1-1-05. Staff recommendations have been included. The staff recommendation re D&O insurance is simply a renewal of last year's coverage with RSUI at an increase of 10%. However, Bob Fatch of Brown and Brown still anticipates a quote from Landmark American Insurance Company that may not be available as of the December 7<sup>th</sup> board meeting.

*Due to this incomplete information, the Board may want to give staff authority to renew as noted below with the caveat that, if another quote comes in at a lower rate, staff should return to the board at the meeting of December 21, 2004. .*

Workers' Compensation excess insurance also renews on 1-1-05.

Regarding Workers' Compensation coverage, staff recommends joining a **Joint Powers Agreement through California State Association of Counties (CSAC)**. Through this agency, coverage is offered to any qualifying public entity under the umbrella of the **California Public Entity Insurance Authority (CPEIA)**.

This move will provide excess coverage at less than half the cost while the SIR is reduced from this year's \$1.5m to \$500k, a significant difference.

In joining the JPA, MTD becomes "jointly" responsible (along with all other member public entities) for all the claims against the group. The JPA is administrated by Driver Alliant of San Francisco, San Diego and Newport Beach.

Note: The by-laws indicate that a surcharge may be necessary, or a refund given, based on the claims history of the entire group for the year. Surcharges are limited to 25% of the premium. Thus even in such a case, MTD would only be responsible for an additional \$10,100. The financial level of the fund versus claims/reserves has a 90% confidence level.

All member agencies are offered an opportunity to participate in board meetings as well as benefit from site visits for safety evaluation, regional training sessions and on-site safety employee training.

The quote provided is annualized, but valid for the next six months. Pool insurance renews July 1 each calendar year.

I highly recommend this change in coverage. Thanks to Gary Johns, Operations/ Human Resources & Risk Manager and Jill Grisham, Human Resources & Risk Administrator for putting together the information that led to the receipt of this quote.

MTD staff members met with staff of Clean Air Express and Air Bus to review **federal compliance guidelines** that pass through MTD as a requirement from FTA. This is because MTD assisted SBCAG in processing of the federally funded grant for CAE vehicles.

**Lynnette Coverly** has given notice that she is leaving her position as Manager of Marketing at MTD to become a bank officer (Marketing) at Community West Bank (Hollister at Pine). Though we are sad to lose such a valuable staff member, we all wish her well in her new endeavor.

The position in marketing will be revamped to a position of **Marketing Coordinator** under the guidance and management of David Damiano, Manager of Transit Development and Community Relations.



# **CITY OF SANTA BARBARA**

## **JOINT REDEVELOPMENT AGENCY AND METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS AGENDA REPORT**

**AGENDA DATE:** December 8, 2004

**TO:** Redevelopment Agency Chairperson and Boardmembers  
Metropolitan Transit District Board of Directors

**FROM:** Housing and Redevelopment Division  
Community Development Department  
MTD Transit Development Department

**SUBJECT:** SANTA BARBARA DOWNTOWN TRANSIT VILLAGE

### **RECOMMENDATIONS:**

That the Redevelopment Agency Board:

- A. Direct staff to execute a letter identifying deal points and the terms of participation in a Downtown Transit Village Planning Strategy and Feasibility Analysis to be entered into between the Agency, the Santa Barbara Metropolitan Transit District, the Leider Group, and State Street Properties;
- B. Appropriate \$61,600 from the Agency's Unappropriated Reserves as the Agency's percentage share of funding for a Downtown Transit Village Planning Strategy and Feasibility Analysis; and
- C. Authorize the release of a Request for Qualifications to Prepare a Downtown Transit Village Planning Strategy and Feasibility Analysis.

That the Metropolitan Transit District Board of Directors:

- A. Authorize staff to execute a letter identifying deal points and the terms of participation in a Downtown Transit Village Planning Strategy and Feasibility Analysis to be entered into between the Redevelopment Agency of the City of Santa Barbara, the Santa Barbara Metropolitan Transit District, the Leider Group, and State Street Properties; and
- B. Appropriate \$14,300 as Metropolitan Transit District's share of funding for a Downtown Transit Village Planning Strategy and Feasibility Analysis.

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REVIEWED BY: \_\_\_\_\_ Finance \_\_\_\_\_ Attorney

Agenda Item No. _____
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## EXECUTIVE SUMMARY

The Redevelopment Agency (RDA or Agency), Metropolitan Transit District (MTD), Leider Group, and State Street Properties have combined real estate interests on the northeast corner of Carrillo and Chapala Streets, in the 1000 block of Chapala Street, covering approximately 2.7 acres. The property owners have identified an opportunity to consider a joint mixed-use redevelopment project on the property. A Downtown Transit Village is envisioned for this prime gateway site, incorporating public and private parking, a mix of affordable and market-rate housing, a new MTD transit center, and various commercial uses.

RDA and MTD staffs are recommending to their respective Boards authorization to execute a letter identifying deal points and setting out the terms of participation in the exploratory phase of the project. RDA and MTD staffs also request that their respective Boards appropriate proportionate funding contributions and authorize the release of an RFQ for a multi-disciplinary consultant team to prepare a Downtown Transit Village Planning Strategy and Feasibility Analysis.

## BACKGROUND

In 2003, the Santa Barbara Metropolitan Transit District approached the City concerning the need to renovate and reconfigure the MTD Transit Center located at 1020 Chapala Street. At about the same time, the City's Redevelopment Agency had prepared a feasibility study, which identified City Parking Lot #3, located adjacent to the MTD Transit Center, as a suitable site for the construction of housing over a downtown public parking lot. RDA and MTD staffs began to discuss a possible joint mixed-use project to be located on the properties held by the two agencies.

At the February 2004 RDA Capital Projects Worksession, Agency staff included a joint MTD/RDA transit-oriented development concept in the list of "Emerging Capital Projects." The RDA Board expressed interest in the project and requested that further analysis and more information be provided. The RDA Board also expressed interest in the preparation of a transit study that would consider the best location for the MTD Transit Center, with an analysis of the Railroad Depot as a possible alternative to the current downtown site.

An RDA Board Sub-Committee comprised of Mayor Blum, Boardmember Secord, and Boardmember Horton also addressed the Downtown Transit Village concept and indicated positive interest. On September 23, 2004, the Downtown Transit Village concept was presented at a joint bi-annual workload work session of the City Council and Planning Commission and received a favorable response.

The Leider Group, which acquired control of the long-term ground lease for the Greyhound Depot parcel, recently joined the conversation. The Leider Group has interest in redeveloping the parcel and is willing to consider participating in a joint redevelopment project with the RDA and MTD. Furthering the development potential in

that block, State Street Properties, the owner of the Saks Fifth Avenue parcels, has expressed an interest in including the Saks valet parking lot in the project.

This joint meeting of the MTD and RDA Boards was identified as the next step in the process of evaluating the project.

## DISCUSSION

### **The Project Site**

The Aerial Site Photograph shows that the proposed Downtown Transit Village project site covers approximately 2.7 acres of land located on the northeast corner of Carrillo and Chapala Streets (Attachment 1). The project site covers more than half of an entire City block and is comprised of the 164-space City Parking Lot #3, the MTD Transit Center, the Greyhound Bus Depot, and the Saks Fifth Avenue Valet Parking Lot. The intersection of Carrillo and Chapala Streets has seen major improvements in recent years with the construction of the Hotel Andalucia and the Ralphs Supermarket. The sprawling surface parking lots and outdated bus terminals that exist on the project site are incongruous with the recent improvements brought by private redevelopment and provide a clear opportunity to enhance this underutilized piece of prime downtown real estate.

### **Redevelopment Opportunities**

The Downtown Transit Village Project contemplates a mixed-use development that could incorporate a new MTD Transit Center, a mix of affordable and market-rate housing, and a mix of commercial uses. The housing would be built on a podium above parking that would replace the existing number of public and valet parking spaces while providing additional spaces to support the new development. The project could also provide opportunities to include Greyhound Bus operations.

On September 22, 2004, the Community Environmental Council (CEC) submitted a letter to City Council and MTD Board Members (Attachment 2) expressing their interest in helping make the Downtown Transit Village a model of sustainable design and redevelopment. They also indicated a potential interest in having CEC's non-profit educational/demonstration center included as a component of the Downtown Transit Village Project. Following receipt of that letter, City staff met with CEC representatives and a subsequent letter, dated November 3, 2004, was submitted to outline a specific vision for CEC's participation in the project (Attachment 3).

At this time, MTD and RDA staffs envision that any future RFP seeking a developer for the Downtown Transit Village would identify green building and sustainable design as significant factors in the selection process, and it is likely that we would engage the expert guidance of the CEC in this area. As for including the CEC, or any other non-profit uses in the Downtown Transit Village Project, we will be asking our planning and



feasibility consultants to analyze a range of uses and configurations for the site, and the CEC proposal will be considered in those analyses.

### **MTD Transit Center**

MTD currently serves more than 6,000 daily passengers at its downtown Transit Center, which opened in 1974. This facility, built on a 15,200 square foot site, was designed for transit operations that involved fewer than 20 vehicles. With nearly 100 vehicles being operated by MTD today, the facility is inefficient and inadequate for current operational needs. The needs of MTD and the community in general have evolved and it is essential that Santa Barbara's transit facilities become a better integrated part of the Central Business District (CBD).

The Downtown Transit Village project would aim to meet the following goals of MTD:

1. More efficient operations and improved traffic flow.
  - Remove the circular drive to reduce congestion.
  - Add linear bus bays including individual pull-out configurations.
  - Create a transit lane on one of the existing lanes of Chapala Street.
2. Update and improve passenger amenities.
  - Provide a clean and comfortable waiting area.
  - Automate pass distribution.
  - Improve route and schedule information.
  - Provide a more inviting customer service area.
  - Provide an inviting and aesthetically pleasing façade.
  - Provide clean and functional restroom facilities.

An improved downtown transit center would enhance the community's overall efforts to promote the use of transit and would make programs such as "My Ride" a more attractive option.

### **The Downtown Transit Village Planning Strategy and Feasibility Analysis**

At the September 23, 2004, work session of the City Council and Planning Commission, Agency staff posed the following questions to be answered with subsequent analysis:

- Is Carrillo and Chapala the right—or the only practical location---for the MTD Transit Center?
- Should the City consider working with MTD to move the Transit Center to the Railroad Depot Lot to take advantage of future rail passenger traffic?
- Should the City consider abandoning the easterly traffic lane on Chapala to facilitate a reconfigured Transit Center?

- What would be the practical interface between transit services and potential future commuter rail service?
- Where should the Greyhound Depot be?
- How could the project economics be achieved, particularly in light of the constrained resources of the RDA and MTD?
- What should the affordability mix be of housing in the project?

A multi-disciplinary professional services team is needed for this analysis.

The recommended funding appropriations would enable staff to issue an RFQ to locate a consultant team with experience and expertise in analyzing mixed-use transit-oriented development projects and public/private partnerships. The consultant would be asked to produce a Downtown Transit Village Planning Strategy and Feasibility Analysis. The document would include a summary report and implementation strategy based on the consultant's analysis of several project components, including:

1. Site Constraints

- Zoning and land-use regulations
- Space limitations
- Alternative site configurations
- Historic resources
- Environmental issues
- Traffic impacts

2. Redevelopment Opportunities

- MTD Transit Center
  - Current and future capacity needs
  - Enhancing operational efficiency
  - Passenger safety improvements
  - Passenger amenities
- Housing
  - Podium construction
  - Affordability mixes
  - Density options
  - Interface between MTD operations and residential uses
- Commercial/Retail Components
- Public and Private Parking
- Other potential mixed-use components, such as non-profit uses and public art components

- Opportunities to incorporate green building solutions
3. Project financing
    - Participants' resource contributions and returns on investment
    - Funding strategies, including transit-oriented development grants opportunities
    - Project feasibility for various options
  4. Alternative Site Assessments and Other Transit Modes
    - Alternative downtown sites
    - Railroad depot sites
    - Commuter rail tie-in
    - Regional bus service impact

Staff is recommending that the Agency, MTD, the Leider Group, and State Street Properties participate financially in the cost of the professional services. Staff recommends that these costs be distributed in proportion to each party's land interest on the project site (see Attachment 4: Land Area Map) as set forth below:

**Proportionate Contribution by Land Area**  
**(Based on \$100,000 Consultant Contract w/ 10% Contingency)**

City/RDA	Lot #3	66,500 SF	56%	\$61,600
MTD	Transit Center	15,200 SF	13%	\$14,300
Leider	Greyhound	19,700 SF	17%	\$18,700
State Street Properties	Saks Parking	<u>17,000 SF</u>	14%	<u>\$15,400</u>
		<b>118,400 SF</b>		<b>\$110,000</b>

If the cost of the study exceeds the anticipated amount, the parties would have the option to participate at the same funding proportions up to a set limit.

**The Process**

This joint meeting and the initiation of the Downtown Transit Village Planning Strategy and Feasibility Analysis will be the first substantive steps toward exploring a Downtown Transit Village. Following this meeting, RDA and MTD staffs will work together through the Project Implementation Process identified in Attachment 5.

**CONCLUSION**

Due to a convergence of needs, interests, and opportunities, the Downtown Transit Village Project is particularly appealing at this time. The City parking lot could offer an opportunity for development of a mix of affordable and market-rate housing downtown. Existing parking would be preserved and new parking added for a mixed-use

development. The site is a downtown gateway corner that would definitely benefit from redevelopment, located across from the new Hotel Andalusia and the Ralphs Supermarket. The MTD Transit Center is aging, inefficient, and in need of replacement. The Greyhound Bus Depot operation may be contemplating relocation in the near-term (1-10 years). The long-term leaseholder of the Greyhound property intends new commercial development on that prime corner and is willing to consider participating in a joint mixed-use project. And there is interest from a State Street property owner and their prime downtown retailer sub-lessee, Saks Fifth Avenue, in participating in the project.

Given this situation, RDA and MTD staffs are recommending that the Agency and MTD Boards authorize their Executive Directors to approve a letter identifying deal points and the terms of participation in producing a Downtown Transit Village Planning Strategy and Feasibility Analysis. RDA and MTD staffs recommend that the Agency and MTD Boards appropriate their identified proportionate funding contributions toward producing the Downtown Transit Village Planning Strategy and Feasibility Analysis. And finally, Agency staff is recommending that the Agency Board authorize the release of a Request for Qualifications that would enable staff to return to a joint MTD/RDA Board meeting for selection of a professional consultant team to evaluate transit needs, land use opportunities, and project financing for the Downtown Transit Village Project.

**ATTACHMENTS:**

1. Aerial Site Photograph
2. CEC Letter dated September 22, 2004
3. CEC Letter dated November 3, 2004
4. Land Area Map
5. Project Implementation Process

**PREPARED BY:** David Gustafson, Assistant Community Development  
Director/Housing and Redevelopment Manager/JH  
  
David Damiano, Manager of Transit Development &  
Community Relations

**SUBMITTED BY:** Paul Casey, Community Development Director

**APPROVED BY:** City Administrator's Office  
MTD General Manager



## **AGENDA**

Meeting of the  
**BOARD OF DIRECTORS**  
of the

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

A Public Agency

Wednesday, December 8, 2004

**10:00 AM**

City of SB Public Works Building  
Gebhard Public Meeting Room

**630 Garden Street, Santa Barbara**

### **SPECIAL REDEVELOPMENT AGENCY MEETING JOINT SESSION WITH SANTA BARBARA METROPOLITAN TRANSIT BOARD OF DIRECTORS**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENT**

#### **REDEVELOPMENT AGENCY REPORTS**

1. SUBJECT: SANTA BARBARA DOWNTOWN TRANSIT VILLAGE (670.08)

#### **RECOMMENDATIONS:**

That the Redevelopment Agency Board:

- A. Direct staff to execute a letter identifying deal points and the terms of participation in a Downtown Transit Village Planning Strategy and Feasibility Analysis to be entered into between the Agency, the Santa

Barbara Metropolitan Transit District, the Leider Group, and State Street Properties;

- B. Appropriate \$61,600 from the Agency's Unappropriated Reserves as the Agency's percentage share of funding for a Downtown Transit Village Planning Strategy and Feasibility Analysis; and
- C. Authorize the release of a Request for Qualifications to prepare a Downtown Transit Village Planning Strategy and Feasibility Analysis.

That the Metropolitan Transit District Board of Directors:

- A. Authorize staff to execute a letter identifying deal points and the terms of participation in a Downtown Transit Village Planning Strategy and Feasibility Analysis to be entered into between the Redevelopment Agency of the City of Santa Barbara, the Santa Barbara Metropolitan Transit District, the Leider Group, and State Street Properties; and
- B. Appropriate \$14,300 as Metropolitan Transit District's share of funding for a Downtown Transit Village Planning Strategy and Feasibility Analysis.

## **ADJOURNMENT**